21 OCT 1941

GERMANY

The Swedish Morgonbladet, 15.9.41, has a leading article: "Facing the third war winter", which says that the Nazi war plan aimed at a quick decision. The raw material shortage in Nazi ruled territory must produce supply difficulties in a long fight.

The second war winter has produced a great food shortage in various countries, and the past year has not relieved the food situation. Continental Europe is not self-supporting, even under normal conditions. Germany claims that the bread grain consumption can be covered to about 99% in Nazi controlled territory under normal conditions, but it must be remembered that the importance of bread grain considerably with the growing difficulties in obtaining other foods. According to optimistic statistics published by the Reich Institute, the corn harvest is now 15% below normal.

The job facing German organisation is enormous; the raw material shortage, and not least the shortage of certain fertilizers, will present ever growing headaches. It is hardly to be expected that the farmers will reach all the energy their rulers expect of them. It is also difficult to prophesy to what extent the Russian campaign will improve the grain raw material supply, and under no circumstances can German progress influence the food supplies for 1942. All in all, Europe and especially the occupied countries face a winter of war and heavy trials.

Berliner Borsen-Zeitung, 2. 9. 41. The first job is always to get agricultural work started again. There was of course no time to change the Commissar system of agriculture. A Reich Trustee has, therefore, been placed at the head of every economic unit which was found in existence. The army has enlisted the whole rural population to get on at once with harvesting and with the preparations for the autumn sowing. The whole rural population is made responsible for getting in the harvest. The order says that the existing system is not being changed for the time being, and if there are no machines or tools, the work must be done by hand. The German Government pays higher prices than were paid by the Soviets for the produce of the harvest. Those who cooperate willingly are promised that they may not only keep the private property which they have got, free of tax, but that after a proper administration has been established they will have a chance to acquire more cattle.

Svenska Dagbladet, 18.9.41., in a leading article by Prof. Gustav Cassel (the well-known Swedish economist) entitled "German war economy", says that the last copy of the Deutsche Bank monthly provides a fairly clear picture of German war economy. It is particularly remarkable that the German national income rose considerably during wartime. Despite the calling up of many millions of men, more work is being effected in Germany than formerly. Working hours have been prolonged, women have been drawn into the factories and

/older

other workers reinstated. The latter fact is noteworthy as it is evident that something can be won through delaying the pensioning off.

Longer hours can, for a short time, increase the national income, but experience shows that overstrain soon follows in a highly rationalised industry and in the long run increased production cannot be achieved this way. Until the end of the financial year 1940/41 inflationary financial methods seem to have been avoided. This result would only be possible through strong depression of the standard of living and through the consumption of stocks of goods and neglect of the maintenance of stock capital. All these methods are such that they cannot be continued endlessly without resulting in reduced efficiency. The same applies to the severe restriction of all capital investments which are not essential to the war economy. In that respect restrictions on building activity are especially important. The Chief of Building Operations has fixed for the minimum of buildings to be erected and, even then, in the simplest forms. Permanent buildings are replaced by temporary ones. It is quite sufficient if the buildings only last until the end of the war. Barracks should preferably be used, and the Goering programme has even marked expenditure on buildings as very unnecessary and as sabotage against the Luftwaffe.

Prisoners of war and foreign workers in Germany and occupied countries effect a considerable saving of German labour but it remains to be seen whether this addition will produce a normal efficiency. Slave labour has in reality never been so cheap as one imagined.

The German war economy has undoubtedly been eased to a great extent by the import of surplus goods from occupied countries. This surplus is paid for with German money or with credits which cannot be used until further notice and whose future value is very doubtful. Such plunder of occupied countries has its limits, and here again is involved a method of finance which cannot be exploited to an unlimited extent. One, therefore, arrives at the conclusion that the German war economy uses resources which are not available permanently and that the prolongation of the war and its apparently increasing expense will cause insuperable difficulties. This war cannot be borne in the long run. With the prolongation of the war the stability of German currency must stand a very great strain. News to hand indicates that war finance begins to assume an inflationary character.

Nachtausgabe Berlin 3.8.41. contains a 10-point appeal to the public not to call on the doctor unless it is absolutely necessary. It should not be imagined that Nerve tonics and sleeping draughts, narcotics and all kinds of certificates are necessary...' It is hardly possible to enumerate the number of reasons given to obtain certificates from doctors. Anyone who troubles the doctor unnecessarily is acting against the interests of the people.

/A Zurich message

A Zurich message, 28.9.41. says that the Reich Ministry of Agriculture in collaboration with the Propaganda Ministry will this week start a campaign to induce the public to eat potatoes only in their skins. The reason given is that the harvest though good, is less good than last year's. Backe (Secretary of State in the Ministry of Agriculture) explains that war conditions have caused a considerable increase in the consumption of potatoes, and this has resulted in a great strain on transport. In order to save railway traffic the public must, therefore, eat less potatoes.

The Hamburger Fremdenblatt, 5.9.41. reports a speech made by Hans K.H. Kruse, Vice-President of the Hamburg Chamber for Industry and Trade, at a meeting of the Hanseatic Export Bourse at the Leipzig Fair. He said that State control of the German economy would have to continue after the war. But the extent and form of control would have to be changed. It was unbearable in the long run that the energy of the best and most experienced export merchants should be wasted in journeys to Berlin, in waiting-rooms and begging for quotas. A fair balance between State control and personal initiative must be found as soon as possible. What was happening at the moment went far beyond the limits of a proper control.

Kruse continued that the exporter overseas would not be able to start again where he had left off before the war. A European economic space was defining itself more and more clearly which would offer great chances to the Hanseatic export trade, supplementary or in place of export overseas. For many export merchants the problems of the future would be solved automatically by the reorganisation of the great Russian space.

The Berliner Borsen-Zeitung, 31.8.41. contains an article by Dr. Waller describing the unenviable position of the small share-holder in Germany. The writer states that the number of people attending the general meeting of companies has become smaller and smaller during recent years. He says that this is a result of the increased concentration of shareholding in the hands of a few large shareholders. This development has made the small shareholders feel that it is useless to utter any criticism or even to ask questions. Dr. Waller then gives some examples of cases in which, in spite of all this, small shareholders have protested against the company's policy, and describes in particular what happened at the general meeting of the Gustav Genschow & Co. AG., Berlin.

In spite of its large profits, this company is only paying a dividend of 5.5% because under its contract with the Dynamit AG, which on its part has a similar contract with the I.G. Farben, the latter receives all of the profits of the Genschow company in excess of an amount which will enable the company to pay a dividend amounting to 40% of the I.G. Farben dividend.

Waller then says: "The minority shareholder of the Genschow company pointed out that one essential condition of the contract did no longer apply today. When in 1926 the contract was made, under which the Genschow shareholders received, via the Dynamit AG., 40% of the I.G. Farben dividend, the

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I.G. Farben had complete liberty in fixing the size of its dividend, and the Gennshow shareholder could, therefore, expect that the I.G. Farben would again pay higher dividends when trade improved and that then they could also get a better return for their capital.

"The I.G. Farben dividend did in fact increase to 10, 12 and 14%, but since 1933 it has been limited artificially to 7 or 8% for well known reasons, with the result that the Gennshow shareholders only got 2.8 or 3.2%, that is far less than the usual interest rates paid by savings banks. The small shareholders would have been quite willing to put up with this if the profits made by Gennshow had remained correspondingly small. But during the last 3 years the Gennshow Co. made profits which exceeded its share capital by 25%, and the small shareholders feel that it is very unfair that a company of the standing of the I.G. Farben should now insist on the exact wording of the contract and allow them only one eighth of the profits made, pocketing the remaining seven eighths itself."

Gothenburg Posten, 14.9.41. A Swedish engineer who has returned from a 4 month's stay in Germany, said: "Sweden must consider it strange how the Germans can stand the strain of 60 full working hours a week with their nights constantly disturbed and with insufficient food. The Germans nevertheless hope for an early peace. My own food may serve as an example. For the morning and the evening meals there was bread, a little butter and sometimes cheese. At midday I had one small plate of soup, potatoes, vegetables, and a small portion of oats. On Tuesdays and Fridays there was fish of a quality hardly permissable in Sweden. As, unlike the Germans, I was unable to keep my stomach busy with skimmed milk and bread at intervals, I was always hungry. For 2 weeks this summer potatoes were unobtainable [illegible] in Hamburg, and rice was instead issued. Fruit is obtainable on coupons only, and beer contains only 5% alcohol. Prisoners of war get even less food than the Germans themselves.

"According to advertisements and shop windows there is no clothes problem at the moment, but in reality it is quite different. Foreigners asking for clothes are kept waiting endlessly and Germans are forced to use their old clothes."

21 OCT 1941

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SCHLESWIG HOLSTEINISCHE TAGESZEITUNG 7.9.41. The leading article says: many more potatoes than in peace time and many more vegetables are eaten today in Germany. Formerly, Germany took the seventh place among European vegetable eaters, and today the third. Contrary to expectations, imports of vegetables into Germany are not large nowadays. The vegetable acreage rose by 32,000 hectares to 208,000 hectares. The last two years were years of constant hard work, and the sacrifices of workers in farms, mills, and factories were great.

German paper AACHENER ZEITUNG of the 11th Sept. It is reported from Cologne that the Cologne Fair in accordance with the Times has less character of a selling fair, but is rather an "Orientation Fair".

GERMANY.

THE PROBLEM OF LABOUR RESERVES.

The significance of the decrease in the number of young people leaving school is made even more clear in the Kolnische Zeitung, 23.8.41. which states that the figure has dropped by 30,000 in the current year. In 1934 there were 680,000 boys leaving school and 156,000 vacant apprenticeships, whereas in 1941 there are 350,000 boys and about 500,000 vacant apprenticeships. The situation has thus been reversed and there is no longer a large reserve of young workers.

Apart from this there is a tendency to avoid certain professions which are considered to be of a low standing both socially and financially. Heavy manual labour is also avoided with the result that the farmer's wife waits in vain for an assistant.

THE FRANKFURTER ZEITUNG, 23.9.41. reviews the newly published book "Save Kilometres in your Petrol Tank" which is subheaded "200 Ways of Saving Oil Fuel when Driving Motor Vehicles" by the recognised engineering authority Wolf A. Darnhofer. It describes in popular language all factors influencing the rate of consumption of oil fuel, and by the skilful use of drawings it enables even the non-technical reader to understand how to become a more economical fuel consumer.

DIE ZEIT, 10.9.41.

An article on tobacco queues says that despite the increased tobacco production German smokers always live in the depressing atmosphere that one day they will have to give up their beloved cigarette. The introduction of tobacco control cards does not improve the unfriendly feeling between tobacconists and smokers, as it is up to the shopkeeper to fix the daily rations in accordance with the quantities he receives daily. It is also feared that non-smokers will start to acquire control cards and use them for exchange dealings, and they may finally become smokers themselves, thus increasing the consumption.